Microsoft Corp.

MSFT

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000789019

A

strongest fifth of 468 graded peers in business equipment

rank 67 of 468; percentile 14.1; sampling error 2.3 points; lower is stronger

A B C D E

A, the bull



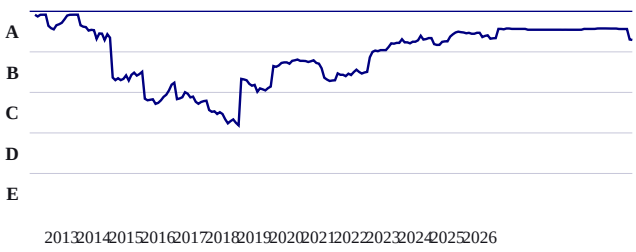
Scoreboard	
Profitability	B percentile 29.6
Solvency	B/C percentile 39.9
Growth and financing	B percentile 36.3
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $758.4B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered
Inputs computable	12 of 13
Graded from	filings received through Jul 29, 2026 112 days before the rescan; latest periodic filing 10-Q received Oct 28, 2026
Last close	$506.07 2026-11-17; market equity $3.8T; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Jul 29, 2026

Microsoft is a technology company committed to making digital technology and artificial intelligence ("AI") available broadly and doing so responsibly. Our mission is to empower every person and every organization on the planet to achieve more. We develop and support a broad portfolio of technology solutions for individuals and businesses, focusing on secure, trusted, and innovative platforms and applications that meet evolving customer needs across AI, cloud computing, productivity and collaboration, and personal computing. We strive to create opportunity, growth, and impact in every country around the world.

The thirteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 29.6						
Gross profitability	29.7%	29.2%		45.9	511	2026-06-30
Return on invested capital	30.6%	11.2%		14.8	123	2026-06-30
Accruals ratio	(7.1%)	(7.4%)		52.7	565	2026-06-30

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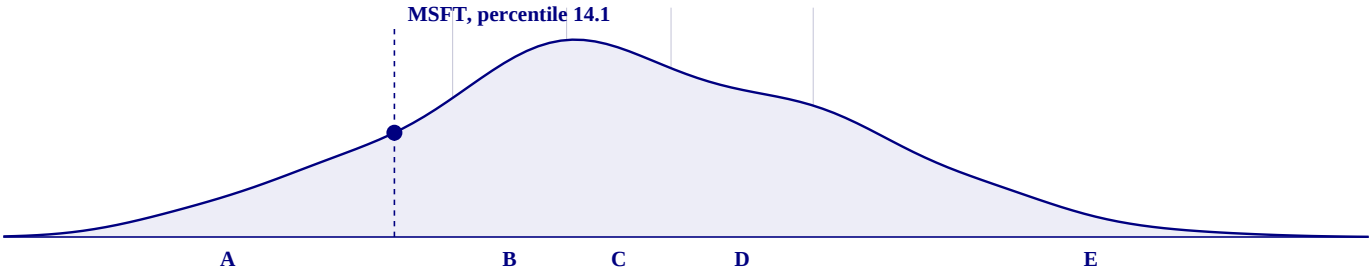
Gross margin stability, five years	0.6 pts	2.3 pts	5.2	405	2026-06-30
Solvency, sleeve percentile 39.9					
Altman Z double-prime	4.59	2.21	26.8	515	2026-06-30
Net debt to EBITDA	0.10x	1.11x	20.4	138	2026-06-30
Interest coverage	not computable	4.90x			
latest aligned inputs end 2024-06-30; latest annual assets end 2026-06-30					
Current ratio	1.23x	1.98x	72.4	599	2026-06-30
Growth and financing, sleeve percentile 36.3					
Revenue growth, three-year compound	16.1%	6.5%	24.0	501	2026-06-30
Free cash flow growth, three-year compound	4.0%	17.5%	71.8	253	2026-06-30
Reinvestment rate	56.4%	15.1%	34.1	212	2026-06-30
Asset growth, three years	22.6%	5.0%	14.7	518	2026-06-30
Net share issuance, one year	(0.1%)	0.5%	36.7	404	2026-07-23

Among 468 peers

business equipment; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

Rank	Company	Percentile	Letter	Warnings
62	OSI Systems Inc. (OSIS)	13.1	A	
63	Braze, Inc. (BRZE)	13.3	A	
64	AvePoint, Inc. (AVPT)	13.5	A	
65	Zscaler, Inc. (ZS)	13.7	A	fortress balance sheet
66	Zeta Global Holdings Corp. (ZETA)	13.9	A	fortress balance sheet
67	Microsoft Corp. (MSFT)	14.1	A	
68	Grindr Inc. (GRND)	14.3	A	
69	Lattice Semiconductor Corp. (LSCC)	14.6	A	
70	Sitime Corp. (SITM)	14.8	A	
71	Onto Innovation Inc. (ONTO)	15.0	A	fortress balance sheet
72	Zoom Communications, Inc. (ZM)	15.2	A	

What the price implies

at the 2026-11-17 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(0.1%)	(2.2%)	52
Distance from 52-week high	(8.9%)	(37.6%)	87
EBIT to enterprise value	4.1%	1.8%	70
Free cash flow yield	1.8%	3.0%	37
Book value to price	0.13	0.27	25
Sales to price	0.09	0.32	13
Composite equity issuance, five years	(5.5%)	4.3%	33
Relative strength against the sector, log excess return	(0.27)	(0.29)	52
Twelve-month failure probability, CHS model	0.02%	0.05%	4

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Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score 6 of 9, period end 2026-06-30	
Return on assets above zero	pass
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	pass
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$20.3B
Operating cash flow, four quarters	$195.9B
Months of runway	not finite
Days since last periodic filing	21 (10-Q received Oct 28, 2026)
Median daily dollar volume, 63 sessions	$10.8B

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	$225.5B	2026-06-30	2026-07-29	10-K	26-323660
2	assets	us-gaap:Assets	$758.4B	2026-06-30	2026-07-29	10-K	26-323660
3	operating income	us-gaap:OperatingIncomeLoss	$155.2B	2026-06-30	2026-07-29	10-K	26-323660
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$165.9B	2026-06-30	2026-07-29	10-K	26-323660
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$32.2B	2026-06-30	2026-07-29	10-K	26-323660
6	total debt	us-gaap:LongTermDebt	$40.3B	2026-06-30	2026-07-29	10-K	26-323660
7	book equity	us-gaap:StockholdersEquity	$442.4B	2026-06-30	2026-07-29	10-K	26-323660
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$20.9B	2026-06-30	2026-07-29	10-K	26-323660
9	total debt	us-gaap:LongTermDebt	$43.2B	2025-06-30	2026-07-29	10-K	26-323660
10	book equity	us-gaap:StockholdersEquity	$343.5B	2025-06-30	2026-07-29	10-K	26-323660
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$30.2B	2025-06-30	2026-07-29	10-K	26-323660
12	net income	us-gaap:NetIncomeLoss	$133.7B	2026-06-30	2026-07-29	10-K	26-323660
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$182.9B	2026-06-30	2026-07-29	10-K	26-323660
14	assets	us-gaap:Assets	$619.0B	2025-06-30	2026-07-29	10-K	26-323660
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$331.8B	2026-06-30	2026-07-29	10-K	26-323660
16	gross profit	us-gaap:GrossProfit	$193.9B	2025-06-30	2026-07-29	10-K	26-323660
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$281.7B	2025-06-30	2026-07-29	10-K	26-323660
18	gross profit	us-gaap:GrossProfit	$171.0B	2024-06-30	2026-07-29	10-K	26-323660
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$245.1B	2024-06-30	2026-07-29	10-K	26-323660
20	gross profit	us-gaap:GrossProfit	$146.1B	2023-06-30	2025-07-30	10-K	25-100235
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$211.9B	2023-06-30	2025-07-30	10-K	25-100235
22	gross profit	us-gaap:GrossProfit	$135.6B	2022-06-30	2024-07-30	10-K	24-087843
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$198.3B	2022-06-30	2024-07-30	10-K	24-087843
24	current assets	us-gaap:AssetsCurrent	$207.7B	2026-06-30	2026-07-29	10-K	26-323660
25	current liabilities	us-gaap:LiabilitiesCurrent	$168.8B	2026-06-30	2026-07-29	10-K	26-323660
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$328.3B	2026-06-30	2026-07-29	10-K	26-323660
27	liabilities	us-gaap:Liabilities	$316.0B	2026-06-30	2026-07-29	10-K	26-323660
28	depreciation amortization	us-gaap:Depreciation	$34.3B	2026-06-30	2026-07-29	10-K	26-323660
29	operating income	us-gaap:OperatingIncomeLoss	$109.4B	2024-06-30	2026-07-29	10-K	26-323660
30	interest expense	us-gaap:InterestExpense	$2.9B	2024-06-30	2024-07-30	10-K	24-087843
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$115.9B	2026-06-30	2026-07-29	10-K	26-323660

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32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$136.2B	2025-06-30	2026-07-29	10-K	26-323660
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$64.6B	2025-06-30	2026-07-29	10-K	26-323660
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$118.5B	2024-06-30	2026-07-29	10-K	26-323660
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$44.5B	2024-06-30	2026-07-29	10-K	26-323660
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$87.6B	2023-06-30	2025-07-30	10-K	25-100235
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$28.1B	2023-06-30	2025-07-30	10-K	25-100235
38	current assets	us-gaap:AssetsCurrent	$191.1B	2025-06-30	2026-07-29	10-K	26-323660
39	current liabilities	us-gaap:LiabilitiesCurrent	$141.2B	2025-06-30	2026-07-29	10-K	26-323660
40	assets	us-gaap:Assets	$512.2B	2024-06-30	2025-07-30	10-K	25-100235
41	assets	us-gaap:Assets	$412.0B	2023-06-30	2024-07-30	10-K	24-087843
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	7,425,545,491	2026-07-23	2026-07-29	10-K	26-323660
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	7,433,166,379	2025-07-24	2025-07-30	10-K	25-100235

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